



**Mood Disorders** Society of Canada

La Société Pour **Les Troubles de L'Humeur** du Canada

**THE MOOD DISORDERS SOCIETY OF CANADA**

**PRE-BUDGET BRIEF TO**

**THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE**

AUGUST 2007

## THE MOOD DISORDERS SOCIETY OF CANADA

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#### Executive Summary

Health charities play an essential role within the Canadian health care system and Canadian society. By providing direct services, public education, and advocacy, these NGOs are vital to the health and well being of Canadians affected by illness and their family, friends, employers, co-workers and caretakers. Charitable giving benefits Canadian society and outweighs forgone tax revenues. MDSC believes that the federal government should continue its efforts to promote charitable giving through various tax supported measures and programs to support the expanding work of charities. As such, MDSC proposes the following recommendations:

- **The enhancements of charitable tax credits announced in Budget 2006 and 2007 are positive steps forward. The Government of Canada could build on its policy in this area by making charitable giving by individuals more affordable, specifically by:**
  - **Supporting increases in modest gifts given to NGOs by making them worth 1.5 times their value as a tax credit; and**
  - **Permitting charitable receipts to be carried forward and backwards for three years.**
- **The Government of Canada expand the funding of core activities of mental health NGOs through programs under the Office of Disabilities, Human Resource Development Canada**

Due to the negative impact of the stigma associated with mental illnesses on Canada's workforce and on the functioning of mental health NGOs, funding is required to educate all Canadians about mental health issues, expand mental health research resources and increase mental health literacy of employers, members of the health professions, teachers etc. MDSC recommends:

- **That the Government of Canada provide five million dollars per annum dedicated to a national anti-stigma campaign, and six million dollars per annum devoted to the creation of the Knowledge/Education Centre;**
- **That the government of Canada provides the provinces and territories with \$2.5 million per year for peer support and self-help initiatives; and**
- **That the Government of Canada commits an additional \$25 million per year for research into the clinical, health services and population health aspects of mental health, mental illness and addiction.**

## **The Mood Disorders Society Of Canada- Partner in Service Delivery**

The Mood Disorders Society of Canada (MDSC) is a national, not-for-profit, voluntary health charity (NGO) addressing the needs of consumers and family members affected by depression, bipolar illness and other related mood disorders since 1995. Its Board of Directors is composed of consumer and family members actively engaged in their own careers but personally committed to addressing the issues which confront Canadians living with depression, bipolar illness and other mood disorders and their families. The Board, although small in numbers, is well balanced geographically and includes representation from a number of communities including our Aboriginal community.

MDSC welcomes the approach of this year's pre-budget consultation. In looking at the taxation system, the House of Commons Standing Committee on Finance is reviewing the fundamental funding mechanism used to meet the needs of Canadians and to ensure a prosperous and productive future. As the federal government reviews its tax policies, MDSC is recommending approaches that will remove barriers to work, support key partners in service delivery and enhance Canada's research leadership..

### **Ensuring Front Line Services**

Health charities play an essential role within the Canadian health care system and Canadian society. By providing direct services, public education, and advocacy, these NGOs are vital to the health and well being of Canadians affected by illness and their family, friends, employers, co-workers and caretakers. To quote the Senate Standing Committee on Banking, Trade and Commerce, "Charities make a substantial contribution to Canadian society and affect in a very real and positive way the quality of life of many Canadians"<sup>1</sup>

For NGOs whose principle mandate is that of delivering services, engaging in education and advocacy on behalf of Canadians suffering from a mental illness or their families and promoting the mental health of Canadians, the deinstitutionalization process and the removal of funds from the mental health care system resulted in substantial reductions, and in many cases, complete elimination of core and program funding for mental health NGOs.

MDSC believes that NGOs, whose principle mandate includes the front line delivery of services to Canadians living with or suffering from a mental illness, are an integral part of the primary health care system, and their services need to be funded accordingly. In light of fiscal policies, NGOs rely increasingly on individual and corporate donations to ensure the delivery of their services.

Charitable giving benefits Canadian society and outweighs forgone tax revenues. MDSC believes that the federal government should continue its efforts to promote charitable

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<sup>1</sup> The Federal Tax Treatment of Charitable Giving by Individuals and Corporations, Interim Report of the Standing Senate Committee on Banking, Trade and Commerce, December 2004

giving to support the expanding work of charities. As such, MDSC proposes to the Committee for consideration the following recommendations:

- **The enhancement of charitable tax credits announced in Budget 2006 and 2007 have been effective. However tax policy can be used to make charitable giving by individuals more affordable by:**
  - **Supporting increases in modest gifts given to NGOs by making them worth 1.5 times their value as a tax credit; and**
  - **Permitting charitable receipts to be carried forward and backwards for three years.**
- **Expand the funding of core activities of mental health NGOs through programs under the Office of Disability Issues, Human Resources and Social Development Canada.**

### **Removing Barriers to Work**

A major barrier to ensuring optimum productivity and prosperity is the stigma and discrimination associated with mental illness. Depression and other mental illnesses have surpassed the burden on society of cardio-vascular disease. This fastest-growing category of disability is an enormous cost to society and to businesses.<sup>2</sup> Health Canada estimates the economic burden on Canada's economy is now close to \$30 billion a year for mental health and addiction problems.<sup>3</sup> It has a direct impact on the Canadian workforce resulting in increasing absenteeism and presenteeism. It has a direct impact on the NGOs ability to deliver services in this area and to raise funds to support operations.

Unlike other NGOs such as cancer, heart and stroke and diabetes where community support can be readily marshaled, no national or provincial NGO in the mental health field has been able to structure a major fundraising campaign that has the capacity to build momentum over the years. Mental health NGOs have also suffered greatly when federal programs supporting core activities are capped or cut back. The lack of core funding and the inability to effectively fundraise has, to date, prevented the NGO community from developing major charitable fundraising campaigns and engaging as true partners in research or in national awareness and educational campaigns.

The establishment of the Mental Health Commission is greatly appreciated by the mental health community. Funding identified in Budget 2007 has resulted in the commission being up and running. This is a significant first step. However in light of the negative impact of stigma associated with mental illnesses on Canada's workforce and on the functioning of mental health NGOs, funding is required to educate all Canadians about mental health issues, expand mental health research funding and increase mental health literacy among them, particularly among those who are in leadership roles such as employers, members of the health professions, teachers etc.

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<sup>2</sup> The Standard (St. Catharines), Employees deserve help to deal with mental illness: Statistics show early treatment can save employers thousands in lost employees' wages, April 15, 2005

<sup>3</sup> Ibid.

It is essential to move forward quickly to address these issues as they have a direct impact on the positive contribution to Canadian society of a segment of the population too often sidelined. MDSC recommends:

- **That the Government of Canada provide five million dollars per annum dedicated to a national anti-stigma campaign, and six million dollars per annum devoted to the creation of the Knowledge Exchange/Education Centre;**
- **That the Government of Canada provides the provinces and territories with \$2.5 million per year for peer support and self-help initiatives. This money would be part of the Mental Health Transition Fund and be administered by the Canadian Mental Health Commission; and**
- **That the Government of Canada commits an additional \$25 million per year for research into the clinical, health services and population health aspects of mental health, mental illness and addiction. These funds should be administered by the Canadian Institutes of Health Research (CIHR), through the Institute of Neurosciences, Mental Health and Addiction under the guidance of a multi-stakeholder board and in consultation with the Canadian Mental Health Commission.**

#### **Keeping the Recommendations Revenue Neutral**

MDSC believes to support these recommendations, the Committee might consider the taxation proposal made by the Senate Standing Committee on Social Affairs, Science and Technology **“That, in order to raise additional revenue to pay for the recommended federal investments in mental health, mental illness and addiction initiatives, the Government of Canada should raise the excise duty on alcoholic beverages by a nickel a drink, that is by five cents a standard drink.”**<sup>4</sup>

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<sup>4</sup> Out of the Shadows at Last, Report of the Senate Standing Committee on Social Affairs, Science and Technology, May 2006